

Ed-tech as Cyber Brand: Winning in Service Market

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ABSTRACT

The purpose of this study is to analyze the branding activities carried out by Ruangguru as a cyber brand and the challenges of managing people for service advantage in winning e-course in the service market so that they can face the digital industrial revolution 4.0 in Indonesia. A qualitative method with an analytical descriptive study approach was employed as the research method. Meanwhile, online observation and documentation carried out the data collection techniques. The location in this research was PT. Ruang Raya Indonesia (Ruangguru). The research results showed that in developing human resources for educational services, it is necessary to pay attention to how to place the right people in their fields, "the right man, in the right place", develop employees so that they can deliver educational services well, provide the best facilities to support the process in educational services, retain the best employees, and reward all employee and student achievements. Therefore, managers need to pay attention to the factors driving service excellence. Good brand equity will show that Ruangguru can build trust by providing good service quality and customer loyalty. The selection of the exemplary brand ambassador and relationship equity showed that Ruangguru formed an online student community throughout Indonesia.

Keywords: *Managing People For Service Advantage, Customer Equity, Brand Equity, Value Equity, dan Relationship Equity.*

1. INTRODUCTION

Customers are the main focus of the company in the marketing function. Customers are broad and very dependent on the type of industry and its company. Some customers can have several products for several different segments. This requires the company to continue to be adaptive in the face of these conditions.

The Vuca era is identical to the use of technology that can disrupt the company's business way. This is characterized by the appearance of a digital-based pilot business known as Startup. With services provided easily, cheaply, and quickly to the community, startups become challenges and opportunities for companies. The challenge occurs when the attendance of startups erodes the company's market share potential by offering services that substitute the current products and services of the company.

On the other hand, the development of digital technology opens opportunities for companies to collaborate with the startup in overcoming business problems, expanding the market, increasing productivity,

to winning a business competition. This is characterized by the emergence of various products and services of Education Technology. The presence of various ed-tech products is expected to solve various educational problems that have not been completed in this country. Indonesia also has many ed-tech brands.

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One of the startups that utilize this opportunity is Ruangguru. Ruangguru is a Technology-Based startup that helps various stakeholders in education, such as teachers, students, the central and regional governments, and parents of students to interact in a comprehensive digital platform. The Ed-tech Learning Management

System (LMS) service model is different from E-Learning. LMS is designed to help plan learning activities. The following is the user data of Ruangguru Online:



Source: [1]

Figure 1. Ruangguru User from 2014-2020

Figure 1 shows that Ruangguru users from 2014-2020 have increased. Therefore, Ruangguru is predicted to be the startup of Ed-tech Indonesia which will become a unicorn candidate. Indeed, Ed-tech's startup trip in achieving Unicorn status is not as easy as a startup engaged in transportation and e-commerce. However, the Minister of Communication and Information (Menkominfo) Rudiantara said that a company engaged in the education sector could grow to become a unicorn because the allocation of government expenditure in the education sector reached 20% of the APBN expenditure allocation [2].

Indonesia is currently facing industrial 4.0 and digital transformation. Both of these can open opportunities on Ed-tech. To deal with the Industrial Revolution 4.0 and the Covid-19 Pandemic in Indonesia today, the presence of various Ed-tech brands is indeed a high-use innovation. However, these ideas and innovations can be emulated by other parties to bring up a new rival in the Edtech industry, which makes Edtech brands fall into the Red Oceans business, which will be explained in the results and discussion section. Ruangguru was chosen as an Ed-tech brand analyzed in this study. The reasons for the election of Ruangguru were: First, It has a target for students' markets and Z-generation; Second, the form of services and products owned by Ruangguru are in the form of e-learning products; Third, Ruangguru is a famous Ed-tech brand from Indonesia which is ranked third top free on the App Store for Education category.

This consideration is critical for managers to carry out the proper management steps in managing the company's superiority. Of course, all with high-quality HR capabilities to gain trust from consumers.

Based on the phenomenon that has been described above, this study intends to analyze the activities of the branding that Ruangguru has carried out in winning the superiority of services in the service market.

2. METHODS

This study employed a qualitative method with a descriptive-analytic study approach as it is explained by [3] that a qualitative method is intended for getting more profound and more personal data. Qualitative methods can significantly influence the research substance. This means that the qualitative method directly presents the nature of relations between researchers and informants, objects, and research subjects. Qualitative research has specific characteristics that act as a guideline for researchers [4], such as:

1. Researchers act as the main instrument to come to the data source directly
2. The data collected in this study is more likely to be words rather than numbers
3. The results of the study emphasize more on the process and not solely to the results
4. Through inductive analysis, researchers revealed the meaning of the situation
5. This expresses meaning as an essential thing from a qualitative approach.

In this study, researchers acted as the primary research instrument (key instrument) who conducted the research process directly and actively gathered various materials related to branding activities carried out by Ruangguru as Edtech, which included Cyber Brand in winning the superiority of the service in the market service. The sample in this study was 100 respondents who used the Ruangguru application.

Data collection techniques were conducted by observation and documentation online following the government's regulation on physical distances during Pandemic Covid-19. Thus, researchers used information technology on the website, social media, and various news portals.

The implementation of this study was conducted for three months. The location in this study was PT. Ruang Raya Indonesia (Ruangguru).

3. RESULTS AND DISCUSSION

3.1. Building Customer Service

The main difference lies within its marketing strategy, where services are more required to provide optimal quality of customer service. Good customer service is understanding customers and always providing added value for the consumers. According to [5], important steps in developing customer service are:

- Setting service mission.
- Setting customer service goals.

- Customer service strategy.
- Implementation

3.2. Building Quality HR

According to [5], a company should seek the empowerment of HR through the following:

- Recruiting the right employees.
- Training employees well.
- Studying Consumers.
- Standardizing System in handling consumers.
- Being proactive.
- Routine Performance evaluation

3.3. Human Resource Strategy for Education Service

According to [6] in David Wijaya, an education institution should follow four primary strategies.

- Hire the right employees
- Develop employees to convey service quality
- provide various supporting systems needed
- Understand the best employees

In managing human resources in service companies, extra energy and a manager's leadership are needed to form employees who can work both in teams and individually. The manager must be selective during the recruitment process and understand how prospective service employees have more to offer than ordinary employees, particularly in communication, to form an excellent service. The manager should maintain and give rewards to employees who have performed well.

3.4. Application Subject

3.4.1. Building Customer Equity

Customer Equity is the total value of life for all company customers. Customer Equity results from customer relationship management (CRM). Rust, [7] distinguish three factors (drivers) that affect customer equity: value equity, brand, and relational.

1. Value Equity

EDTECH - The use of information and communication technology to provide education services - has promising potential to improve learning outcomes. In Indonesia, more than 530,000 schools are closed to reduce the spread of the Corona (Covid-19) virus.

Data from Google Trends shows that the term search for "learning from home" and similar terms experience a

sharp surge - reflecting an increase in online education demand and remotely. Another indicator is a sharp increase in website traffic and downloading the leading ed-tech platform application since February 2020. In Indonesia, more than 530,000 schools are closed to reduce the spread of the Corona (Covid-19) virus. This impacts 68 million students from pre-school to college and increases the need for practical EDTECH. This situation forces the rapid and broad increase in the use of Edtech in this country, which is expected to have a sustainable effect on the market. Survey reason for Ruangguru show by Figure 2.

Source: [8]



Figure 2. Survey Reasons for Kengguna Ruangguru

Scalar variables and physical constants should be italicized, and a bold (non-italics) font should be used for vectors and matrices. Do not italicize subscripts unless they are variables. Equations should be either display (with a number in parentheses) or inline. Use the built-in Equation Editor or MathType to insert complex equations.

Figure 2 shows the results of the survey conducted by Ruangguru that 31.7% of the reasons for users to choose Ruangguru because they enjoy the learning methods and content owned by the Ruangguru application (ranging from elementary to high school level) is following the national curriculum and is explicitly designed by the best and experienced teachers. This increasing demand for online learning encourages massive growth for leading Edtech platforms in Indonesia. However, many students in the countryside do not have connectivity, and many low-income students do not have access to the device needed to use the EDTECH tool.

2. Brand Equity

The digital era has reduced the concept of Brand Equity as an E-Brand Equity [9]. E-Brand Equity is based on social media-based interactivity where companies can communicate brand messages to individuals and interact with consumers. Consumer interactivity is considered necessary in managing E-Brand Equity. Interactivity is a characteristic of the New Media defined by YOO (in [10]) as a degree of audience participation in a communication process in interacting with medium or

with other audiences through interactive features. The interactive feature can come from supporting features on the website platform or application owned by Cyber Brand itself and utilizing the interactivity of features on social media.

As a cyber brand whose products do not have a concrete form, the Edtech brand must certainly be able to take advantage of the potential possessed by social media optimally as one of the efforts to create a touchpoint brand with consumers. Here is a survey conducted by Similarweb.com on Edtech Online Tutoring Ruangguru.

Figure 3. shows that the appeal of consumers towards Ruangguru Online Tutoring services tends to increase every month in 2020.

Source: [11]

Figure 3. Total Consumer Visits on the Ruangguru.com

3. Relationship Equity



Relational equity is significant. It happens when customers tend to keep in touch with the suppliers entirely based on habits. Thus, Ruangguru formed an online community called RUANGGURU COMMUNITY. The appeal of consumers towards Ruangguru Online Tutoring services tends to increase every month in 2020 show by Figure 4, Figure 5, Figure 6.



Figure 4. Ruangguru Community



Figure 5. Ruangguru Community



Figure 6. Ruangguru Community

Based on Figure 4, Figure 5, and Figure 6 RUANGGURU COMMUNITY is a community formed by Ruangguru as a forum for exchanging ideas, discussions, expanding friendship networks, aimed at all members of the community who have the same vision and mission to improve the quality of education in Indonesia

3.5. Problem Solving

According to the Business Resilience Wheel released by Grant Thornton Indonesia in the first quarter of this year, funding was one of the startup strategies to stay in the pandemic period. The Edtech sector seemed to have executed this strategy quite well. This can be seen from many significant investments that have been injected into this sector and make the Covid-19 pandemic as the momentum of acceleration and evidence that the investment was rolled into the right sector. However, investors who invest funds in this sector need to consider risks accompanied by regulation, funding cycles, and how entities compete with competitors. Here are some strategies that Ruangguru can do in maintaining Customer Equity:

1. From the entity side, Ruangguru needs to run a strategy to survive by looking at ways to reduce costs, provide good teaching quality, and impact results. It is key to determining who the winner is in the long run and the growth and increasingly mature of the Edutech market in Indonesia.

2. Based on figure 7, as an effort made by Ruangguru in dealing with several obstacles such as the difficulty of internet access carried out by rural communities, Ruangguru published the book "Smart Solution" that includes the practice questions in the form of books that anyone can reach.



Source: [12]

Figure 7. Smart Solution Book by Ruangguru

3. Build a good online branding, among others:
 - a. Find out what is desired and what is interesting for customers today, especially customers in cyberspace
 - b. Create a brand that is easy to remember, writing or images that are not complicated and classy.
 - c. The brand color reflects the vision of the company's mission and conformity with the products or services offered. The color of the website design should also be matched with this brand.
 - d. Always provide information that is up to date and valuable for visitors
 - e. Highlight the quality of the brand and brand power to be increasing by the customer
 - f. Try to continue to keep the brand name and continue to innovate for the product and quality
 - g. Brand size does not disturb the visitors when browsing, here are also do not choose a color that is too striking so that visitors are comfortable to linger on the website.
 - h. Giving a unique name for each product is also a cyber branding that attracts visitors

4. The next challenge experienced by the Edtech brand is building perceived quality.

Brand Identity can also be determined based on the brand's functional benefits. Consumer perception of these benefits is related to the Perceived Quality of a brand

[13]. Social media not only function in managing brand equity but can also cause a crisis to the brand. According to [14]in[15] define firestorms as the emergence of a sudden large number of messages containing negative WOM and complaints behavior towards someone, company, or group on social media networks. The trigger can be caused by failure to the product or service, which ultimately produces short-term and long-term negative consequences for consumer perceptions of the brand [15]. For this reason, the brand can anticipate this crisis by ensuring consumers always get a pleasant experience with the relevant brand. For Ruangguru as the cyber brand, ensuring websites and applications can be accessed without interruption and bugs, and guarantees for data security and user information are vital in maintaining consumer perceptions. Server interference on websites or applications and data leakage can reduce the functional benefits owned by the brand, so that perceived quality can deteriorate.

5. The innovative nature of the Edtech brand is also unable to guarantee perceived quality. The fast and competitive technology industry encourages new competitors. Ruangguru is not the only ed-tech brand in Indonesia that offers online tutoring services. Therefore, the brand must create a "blue ocean" of market opportunities by providing differentiation on products for old consumers and new consumers who have not yet been targeted by players in "Red Oceans"[15].

6. The challenge faced by the Ed-tech brand is related to the Brand Association. Strong, positive, and unique associations can strengthen the brand and increase brand equity [16]. A brand is often associated with its attributes, such as symbols and brand ambassadors. Brand Ambassador has a significant effect on consumer attitudes by creating the desired brand image, and the role of brand ambassadors on social media impacts in increasing brand awareness [17]. Thus, to achieve the brand image expected by the company, selecting an opinion leader as a brand ambassador needs to be considered. Brand should choose an opinion leader figure that represents values according to brand values in their lives.

4. CONCLUSIONS

In managing human resources at a service company, extra energy and a manager's leadership in forming employees who can work in teams and individuals are needed. The manager must be selective during the recruitment process and understand how prospective service employees have more to offer than ordinary employees, particularly in communication, to form an excellent service. The manager should maintain and give rewards to employees who have performed well.

Ruangguru showed that as a brand classified as a cyber brand, Edtech did not have the format of "Brick and

Mortar". Thus, its presence cannot be felt tangibly and can only be felt virtually. There are particular challenges to managing Customer Equity for Cyber brands. The challenge is creating brand awareness, brand loyalty, perceived quality, and brand association. In this digital era, the concept of Brand Equity has experienced redefinitions to e-brand equity based on social media-based interactivity. This will be achieved if Ruangguru can manage people for service excellence to win e-courses in the service market.

Edtech Brand must optimize the function of social media to create a touchpoint between brands with consumers. Ruangguru has implemented this. It has a large number of followers on Instagram. The properties of the product or service of Edtech's brand have a low life-cycle is a challenge for the Edtech brand in building consumer loyalty. Meanwhile, in building a perceived quality, the challenge experienced by the EDTECH brand is in maintaining the privacy and security issues of user data and ensuring websites and applications run well because consumer experience determines its perception of the brand that will affect Customer Equity.

In addition, the challenge faced by the Edtech brand is related to building the brand association. A brand needs to pay attention to figures who become brand ambassadors. Even so, the management of personal image by the figure is beyond the company's control.

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